

Guiding Principles

The Treasurer recommends to the appropriate Committees that the following **guiding principles language** (included in all three of the legislative reports from Public Retirement Study Committee from 14', 15' and 16') be included in the preamble and intent language of all forms of the bill:

The Committee adopted the following guiding principles in 2014, 2015, and 2016 and agreed that these principles would provide a framework for a potential plan in Vermont:

- a. Simplicity—a plan should be easy for participants to understand
- b. Affordable—a plan should be administered to maximize cost-effectiveness and efficiency
- c. Ease of Access—the plan should be easy to join
- d. Trustworthy Oversight—the plan should be administered by an organization with unimpeachable credentials
- e. Protection from Exploitation—the plan should protect its participants, particularly the elderly, from unscrupulous business practices or individuals
- f. Portability—the plan should not depend upon employment with a specific firm or organization
- g. Choice—the plan should provide sufficient investment alternatives to be suitable for individuals with distinct goals, but not too many options to induce “analysis paralysis”
- h. Voluntary—the plan should not be mandatory; however, auto-enrollment may increase participation
- i. Financial Education and Financial Literacy—the plan should assist the individual in understanding their financial situation
- j. Sufficient Savings—encourage adequate savings in retirement combined with existing pension savings and social security
- k. Additive not Duplicative—the plan should not compete with existing private sector solutions
- l. Able to use pre-tax dollars